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SENATE

REPORT
No. 98–116

ESTABLISHING AN OBLIGATION CEILING FOR THE CIVIL WORKS CONSTRUCTION PROGRAM OF THE CORPS OF ENGINEERS

MAY 16, 1983.—Ordered to be printed

Mr. ABDNOR, from the Committee on Environment and Public Works, submitted the following

REPORT

[To accompany S. 1289]

The Committee on Environment and Public Works, reports an original bill (S. 1289), to establish an obligation ceiling for the civil works construction program of the U.S. Army Corps of Engineers and recommends that the bill do pass.

GENERAL STATEMENT

This bill is intended to provide an obligational limitation of $1,500,000,000 on the construction of on-going and new water resources development projects of the Army Corps of Engineers in fiscal year 1984. This is the first legislation reported by the Committee in this form. Traditionally, this Committee and the Congress as a whole have only acted on the authorization of individual water resources projects.

The purposes of this bill is to fulfill the requirements of the Congressional Budget Act with regard to the reporting of authorizing legislation by the May 1 deadline. It is expected that more substantive and comprehensive water resources legislation will be developed in the near future.

As a part of such legislation, the Committee will consider a variety of projects for authorization, as well as the question of the sharing of costs between the Federal Government and non-Federal interests, the ability of project sponsors and beneficiaries to finance water resource development, the recovery of costs for maintaining deep draft ports and inland navigation projects, new procedures for authorizing and allocating Federal water resources projects, and the Federal role in the rehabilitation and development of single purpose water supply projects.

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The Subcommittee on Water Resources will be conducting hearings on these subjects during the coming months and it is the intent of the Committee to proceed with a mark-up of these issues as soon as practicable.

This bill is an indication of the seriousness with which the Committee regards these policy issues, and the resolve of the Committee to address them.

In addition to establishing an obligational ceiling, the bill will provide a closer connection between the authorization process and the annual appropriations process. In the absence of annual obligation limitations, there is little relation between the two. According to estimates of the Corps of Engineers, the active backlog of authorized but unconstructed projects amounts to $10.2 billion, and the Corps classifies as active 220 projects for which no appropriations have been requested in the fiscal year 1984 budget.

Hearings

The Subcommittee on Water Resources held a hearing on S. 947, the Water Resources Development Act of 1983 on April 22, 1983, at which time testimony was heard on the concept of annual authorization limitations on obligations for the Corps of Engineers. The Assistant Secretary of the Army for Civil Works testified in support of this concept.

Rollcall Votes

Section 7(b) of Rule XXVI of the Standing Rules of the Senate and the rules of the Committee on Environment and Public Works require that any rollcall votes be noted in this report. There were no rollcall votes taken during Committee consideration. The bill was approved by voice vote on May 12, 1983.

Evaluation of Regulatory Impact

In accordance with section 11(b) of Rule XXVI of the Standing Rules of the Senate, the Committee has evaluated the regulatory impact of the bill. In view of the fact that the bill only sets an obligation ceiling, none of its provisions create new regulatory authority.

Cost of Legislation

Section 403 of the Congressional Budget and Impoundment Control Act requires each report to contain a statement of the cost of the reported bill prepared by the Congressional Budget Office. That statement follows:

U.S. Congress,
Congressional Budget Office,
Washington, D.C., May 16, 1983.

Hon. Robert T. Stafford,
Chairman, Committee on Environment and Public Works, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed a bill to set an obligation ceiling for the Corps of Engineers-Civil, as

ordered reported by the Senate Committee on Environment and Public Works, May 12, 1983.

This bill places a ceiling of $1.5 billion on obligations made in fiscal year 1984 for the general construction activities and Mississippi River and tributaries flood control programs of the Corps of Engineers. In the absence of an obligation ceiling, the level of obligations for these programs is determined by appropriation action. Thus, no estimate of the budget impact of this ceiling can be made at the present time, since the 1984 appropriation has not been enacted.

In the President's current budget estimates for fiscal year 1984 (which include adjustments to reflect the recent jobs bill and a $180 million 1983 deferral), the proposed funding for the Corps of Engineeds would result in 1984 obligations of approximately $1.65 billion. Thus, the $1.5 billion obligation ceiling would result in outlay savings totalling approximately $150 million in fiscal years 1984 and 1985, relative to the President's budget request.

Because of the cost-sharing provisions governing work carried out under the affected programs, any reduction in outlays by the federal government will result in some smaller reduction in outlays required of state or local governments under current cost-sharing agreements. The amount of such reduction would depend on the specific projects affected by the obligation ceiling.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

JAMES BLUM
(For Alice M. Rivlin, Director).

CHANGES IN EXISTING LAW

In compliance with section 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill as reported are to be shown. There are no changes made to existing law by this bill.

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